

## CHAPTER 4 PAY

[Prior to 11/5/86, Merit Employment Department[570]]

### **581—4.1(19A) Preparation and adoption of pay plans.**

**4.1(1)** The director shall prepare pay plans that apply to all classes and positions in the executive branch of state government, except those under the jurisdiction of the board of regents.

**4.1(2)** The following are the general types of pay plans:

*a.* Pay plans that have established step amounts and apply to classes and positions that are eligible for collective bargaining under Iowa Code chapter 20 and for which collective bargaining agreements have been negotiated and are in effect.

*b.* Pay plans that have no established step amounts and apply to classes and positions that are eligible for collective bargaining under Iowa Code chapter 20, and for which collective bargaining agreements may or may not have been negotiated.

*c.* Pay plans that have no established step amounts and apply to classes and positions that are excluded from collective bargaining under Iowa Code section 20.4.

**4.1(3)** When used in these rules, the word “step” refers to those pay plans described in subrule 4.1(2), paragraph “a,” and the classes and positions assigned to them. When used in these rules, the words “percent” or “percentage” refer to those pay plans described in subrule 4.1(2), paragraphs “b” and “c,” and the classes and positions assigned to them.

**4.1(4)** The commission shall conduct a public hearing prior to the director’s adoption or revision of pay plans.

**581—4.2(19A) Content of pay plans.** Pay plans shall include numbered pay grades showing the minimum and maximum salaries (and intermediate step amounts when applicable) for each.

**581—4.3(19A) Review and amendment of pay plans.** The director shall review the pay plans at least annually and, after taking into account the results of collective bargaining agreements or other factors, may reassign class pay grades.

### **581—4.4(19A) Administration.**

**4.4(1)** The director shall assign classes to pay plans and pay grades. Pay decisions shall be at the discretion of the appointing authority, unless otherwise required in this chapter or by the director. Employees shall be paid either at one of the established steps in the pay grade or at a rate of pay between the minimum and maximum salary in the pay grade for their class or position, except as provided for elsewhere in these rules or by the director.

Unless otherwise specifically provided for in the Iowa Code or these rules, the following employees may be paid any amount that is within the range designated for the employee’s class or position and shall not be subject to the provisions of subrule 4.5(2): the staff of the governor; full-time board or commission members whose appointments are provided for by law; department directors, independent agency heads and others who by law are appointed by the governor; deputy directors and division administrators. The pay of all other employees shall be subject to the provisions of this chapter or applicable collective bargaining agreement provisions.

**4.4(2)** Total compensation. No employee shall receive any pay other than that specifically authorized for the discharge of the duties assigned to the position occupied, except as specifically authorized in the Iowa Code.

When part of the compensation for services in a position (other than military leave) is paid by another agency, governmental entity or from a different fund or account, those payments shall be deducted from the compensation of the employee so that the total compensation paid to the employee from all sources shall not exceed the amount prescribed for the position.

**581—4.5(19A) Pay of employees.**

**4.5(1) Pay rates.** When appointed, employees shall be paid the minimum rate for the class unless otherwise provided for in these rules, except for the following advanced appointment rates:

*a. Pay based on scarcity of applicants.* When an appointing authority submits a written request documenting the economic or employment conditions which make employment at the minimum rate of pay for a class unlikely, the director may authorize appointments at a higher entrance rate within the pay grade for the class in a specific geographical area or for the class as a whole. All employees in the same class and under the same conditions earning less than the higher rate shall be increased to the approved entrance rate and a new pay increase eligibility date shall be established if the increase in pay is at least one step or 5 percent. Thereafter, all newly appointed employees or promoted employees under the same conditions in the same class shall be paid the higher entrance rate of pay. The higher entrance rate shall remain in effect until rescinded by the director.

*b. Pay based on overqualification or exceptional qualifications.*

(1) An appointing authority may grant a rate of pay in excess of the entrance rate of pay for a class to an applicant who possesses unusually applicable education or experience for the position, depending on the particular needs of the appointing authority. Offers that exceed the midpoint of the pay range shall first be requested in writing for approval by the director.

(2) An appointing authority may, for promoted employees, grant up to three steps or up to 15 percent in addition to the amount granted on promotion, or up to the midpoint of the new range, if higher, based upon the same criteria set forth in subparagraph (1) of this paragraph. Promotional pay increases that exceed these limits shall be explained in writing and submitted in advance to the director.

(3) All other current employees possessing equivalent qualifications in the same job class under the same appointing authority may be adjusted to the same advanced appointment rate of pay granted to an individual for original appointment or promotion. Adjustments that exceed two steps or 15 percent shall first be requested in writing for approval by the director. Employees who are adjusted shall be given a new pay increase eligibility date if the adjustment is at least one step or 5 percent.

(4) Advanced appointment rate provisions in this paragraph may be applied to reclassification pay increases.

(5) Advanced appointment rates that do not require prior written justification and approval will be periodically postaudited by the director. If postauditing reveals noncompliance with the policies for granting advanced appointment rates, the advanced appointment rate of an individual(s) may be reversed and the discretion to give advanced appointment rates without the director's prior approval may be temporarily or permanently revoked.

*c. Pay upon reinstatement.* A former permanent employee who is reinstated shall be either: (1) paid a rate of pay within the pay grade for the class that does not exceed the rate of pay at separation; (2) paid a rate of pay within the pay grade nearest to the rate at separation if reinstated to a class covered by a different pay plan with steps; or (3) paid in accordance with subrule 4.5(1), paragraph "b." The reinstatement rate of pay shall include any class series, pay grade, or other pay adjustments made during the period of separation. If the employee's rate of pay was red-circled at the time of separation, the maximum rate of pay in the pay grade to which reinstated shall be controlling. A new pay increase eligibility date and a new seniority date shall be established upon reinstatement, except as otherwise provided for in these rules.

When an employee is reinstated, the previous adjusted employment date will be restored minus the period of separation. The vacation accrual rate shall be set in accordance with the provisions of rule 581—8.6(19A). This paragraph shall be effective retroactive to January 1, 1995.

*d. Pay upon return from leave.* An employee who returns from authorized leave without pay or educational leave with pay shall be paid at the same step or rate of pay in the pay grade for the class held prior to leave including any changes to the pay grade for the class, class series changes, pay plan changes, or other adjustments for which the employee would have been eligible if not on leave. The pay increase eligibility date shall be adjusted for the period of leave if the leave was in excess of 30

calendar days, unless the leave was educational leave required by the appointing authority or military leave. Employees who return from educational leave required by the appointing authority or military leave shall also be entitled to any pay increases for which they would have been eligible during the period of leave.

*e. Pay upon recall.* A permanent employee who has been laid off or who was terminated due to a long-term disability or a job-related illness or injury and who is subsequently recalled shall be either: (1) paid the same rate of pay the employee was paid at the time of separation including any class series, pay grade, or other pay adjustments for which the employee would have been eligible while on the recall list; (2) paid the entrance rate of pay for the class if the rate of pay at the time of separation was less than that of the class to which recalled; (3) paid the maximum rate of pay for the class if the employee's rate of pay at the time of separation exceeded the maximum rate of pay for the class to which recalled; or (4) if recalled to a class in a different pay plan with step amounts, the pay shall be adjusted to the nearest step amount that does not result in a reduction in pay.

A permanent employee who bumped in lieu of layoff, and who is subsequently recalled to the class held prior to the layoff, shall continue to be paid at the same rate of pay except in the following instances:

(1) If the employee's current pay is less than that received at the time of the reduction in force, the employee's pay shall be increased to that rate including any class series, pay grade, or other pay adjustments for which the employee would have been eligible.

(2) If the employee's current rate of pay is less than the minimum rate of pay for the class to which recalled, the employee's pay shall be increased to that minimum.

(3) If the employee's current rate of pay exceeds the maximum rate of pay for the class to which recalled, the employee's pay shall be reduced to that maximum.

When recalled, the employee's previous pay increase eligibility date shall be reinstated, but adjusted to a later date with credit given for previous time served, except that a new pay increase eligibility date shall be set if the employee is recalled to a class under circumstances requiring that the employee be given at least a one-step or 5 percent increase in pay in order to be paid the minimum rate of pay for the class.

The pay increase eligibility date for employees who bumped in lieu of layoff and who are recalled to the class held prior to the reduction in force shall not change, except that a new pay increase eligibility date shall be set if the period of time until the pay increase eligibility date in the previous class exceeds the period of time required for progression on the new step or if the employee is recalled to a class under circumstances requiring that the employee be given at least a one-step or 5 percent increase in pay in order to be paid the minimum rate of pay for the class.

*f. Pay for trainee appointments.* The director may authorize appointment below the entrance rate of pay for a class for trainee appointments to positions covered by merit system provisions. When trainee appointments are made in accordance with these rules, the rate of pay shall be set one step or 5 percent below the entrance rate for the class for each semester (or equivalent) of training the appointee lacks in meeting the minimum training requirements for the class to which the appointment is made. Pay increases shall be automatic and coincide with the successful completion of each semester of additional training. As soon as the training needed to meet the established minimum qualifications has been completed, the trainee shall be appointed in accordance with these rules or terminated.

*g. Pay for internship appointments.* When an appointment is made to the administrative intern class, the employee may be paid the entrance rate of pay for the class, or any rate of pay in the pay plan that is less than the entrance rate, or up to 15 percent above the entrance rate of pay for that class. Requests to pay more than 15 percent above the entrance rate must be submitted to the director for approval.

When an appointment is made to the transportation engineer intern class, the employee shall be paid in accordance with the fiscal year pay schedule approved by the director.

*h. Pay for emergency appointments.* Persons on emergency appointments shall be paid the entrance rate of pay for the pay grade assigned to the class to which appointed.

*i. Pay upon bumping.* A permanent employee who bumps in lieu of layoff shall either:

(1) Continue to be paid the same rate of pay the employee was paid at the time of the reduction in force; or

(2) Be paid the entrance rate of pay for the class if the employee's current rate of pay is less than the entrance rate for the new class; or

(3) Be paid in accordance with subrule 4.5(17) if the employee's current pay exceeds the maximum rate of pay for the new class.

The employee's pay increase eligibility date shall not be changed except in the following instances:

1. If the period of time until the employee's eligibility date in the previous class exceeds the period of time required for progression on the new step, a new pay increase eligibility date shall be set;

2. If the employee's pay is increased to the minimum rate of pay for the class and the increase is at least one step or 5 percent, a new pay increase eligibility date shall be set;

3. If the new step requires a longer period of time for progression, the employee's pay increase eligibility date shall be adjusted to a later date, but credit shall be given for the time already served.

**4.5(2) Pay increases.** A pay increase is a periodic step or percentage increase in an employee's base pay that is within the pay grade for the class to which the employee is assigned. Pay increases shall be based on time spent, performance, or both. The granting of a pay increase shall establish a new pay increase eligibility date. Temporary employees are not eligible for pay increases unless otherwise provided in these rules.

*a.* Pay increases shall not be automatic, except where provided for in collective bargaining agreements and for trainee appointments, nor retroactive if an increase is withheld, nor in advance of the pay increase eligibility date. Pay increases may be delayed beyond the eligibility date.

*b.* Pay increase eligibility.

(1) Employees in classes or positions covered by a pay plan provided for in subrule 4.1(2), paragraph "b" or "c," may be given a pay increase that is any amount within the pay range for the employee's class at the beginning of the pay period following the completion of the prescribed minimum periods of service. However, the employee's current performance evaluation rating must be at least competent (3.00) or "meets job expectations" to receive a pay increase.

Minimum periods of service for pay increase eligibility for employees paid from a pay plan provided for in subrule 4.1(2), paragraphs "b" and "c," shall be 52 weeks, except that new employees, including persons who are reinstated, regardless of their salary at the time of appointment, as well as employees who receive an increase in pay of at least 5 percent as a result of a promotion, reclassification, or a class or pay plan change are eligible for their first pay increase after 26 weeks, unless provided otherwise in these rules.

(2) Employees in classes or positions covered by a pay plan provided for in subrule 4.1(2), paragraph "a," shall be given pay increases in accordance with time intervals published in their pay plan.

(3) The minimum periods of service for pay increase eligibility shall be exclusive of time spent on educational leave (except that required by the appointing authority), or other types of leave without pay (except military leave) which exceed 30 calendar days or as otherwise provided in these rules. Periods of service during educational leave required by the appointing authority or military leave shall be considered competent (3.00) or "meets job expectations" for pay increase eligibility.

*c.* The director may approve a reduction of the minimum time intervals for pay increases for specific classes where there are unusual recruitment and retention circumstances.

*d.* Pay increase eligibility dates. Any type of increase in pay given an employee, other than pay for exceptional job performance, pay for leadworker duty assignment, extraordinary duty or special duty assignment, or as otherwise provided in these rules or by the director shall establish a new pay increase eligibility date.

Pay increase eligibility dates for employees shall be set from the first day of the pay period if the employee starts on the first workday of a pay period. Otherwise, the date shall be set from the first day of the pay period following the date of employment.

*e.* Suspension of pay increases. If pay increases are suspended by Acts of the general assembly, the rules providing for pay increase eligibility shall be suspended until pay increase eligibility has been reimplemented.

*f.* When budgetary conditions make it infeasible to grant a merit pay increase, an appointing authority may grant a lump sum payment instead. Lump sum payments may be granted once during a fiscal year. Such payments shall not cause a new pay increase eligibility date to be established, nor shall they cause the base pay rate to be adjusted. All nontemporary full-time and part-time noncontract employees are eligible for a lump sum payment, except that the employee must have received a performance evaluation of at least satisfactory during the prior 12-month period.

**4.5(3)** *Pay for exceptional job performance.* Extra pay may be given to a nontemporary employee for exceptional job performance. Written explanation setting forth the nature of the exceptional job performance shall be submitted in advance to the director.

**4.5(4)** *Pay upon promotion.*

*a.* The pay of an employee promoted to a class covered by a different pay plan with steps shall first be adjusted to the nearest step amount in the new pay plan that is no less than the employee's current pay. If applicable, pay shall be further adjusted in accordance with this subrule.

A new pay increase eligibility date shall be set when the employee receives an increase in pay of at least one step or 5 percent. An employee who does not receive at least 5 percent shall retain their current eligibility date except that if the period of time until the employee's current eligibility date exceeds the period of time required for progression in the new pay grade, a new pay increase eligibility date shall be set. An employee who is at or exceeds the maximum rate of the pay grade in the previous class shall have a new pay increase eligibility date set regardless of the amount of the promotional increase in pay.

*b.* An employee promoted to a class covered by a pay plan provided for in subrule 4.1(2), paragraph "a" or "b," may be given a one-step or 5 percent increase in pay or brought to the entrance rate of pay in the new pay grade, whichever is greater. Promotional pay for employees receiving leadworker pay shall be in accordance with subrule 4.5(5), paragraph "d."

*c.* An employee promoted to a class covered by a pay plan provided for in subrule 4.1(2), paragraph "c," or subrule 4.4(1) may be given any increase in pay not to exceed the maximum of the new grade as long as it is at least at the minimum of the new grade. Promotional pay for employees receiving leadworker pay shall be in accordance with subrule 4.5(5), paragraph "d."

*d.* For promotions that require a change of duty station beyond 25 miles, the director may approve a one-step or 5 percent increase in pay in addition to any other promotional pay increase provided for in these rules. Subsequent changes in the location of the duty station may justify a request to the director to remove the extra pay previously granted under this paragraph.

*e.* An employee who is promoted following a voluntary or disciplinary demotion shall not be eligible for a promotional pay increase until six months after the effective date of the demotion, except as otherwise provided in this paragraph. The promotional pay to be in effect at the end of the six-month period shall be determined at the time of the promotion, and the employee and the director notified.

If the employee's pay is below the entrance rate of pay for the new class or requires adjustment to a step in a different pay plan, that portion of the promotional pay increase shall be given at the time of the promotion. The remaining increase shall be given at the end of the six-month period. The pay increase eligibility date shall be set at the time of the promotion based on the pay to be in effect at the end of the six-month period.

A promotional pay increase shall be given at the time of the promotion if:

- (1) The employee's pay was reduced at the time of the demotion in an amount equal to or greater than the amount of the promotional pay increase; or
- (2) The promotional pay increase is no more than if the employee had been promoted from the class held prior to the demotion.

f. If an employee's pay was red-circled prior to a promotion, the employee's pay shall be administered in accordance with subrule 4.5(17).

**4.5(5) Pay for leadworker assignment.**

a. Whenever a nonsupervisory employee is assigned duties such as distribution of work assignments, reviewing the work of others in the work unit, or maintenance of attendance or production records, and the performance of those duties does not justify reclassification, the director may approve the employee as a leadworker. The request shall provide facts as to why the additional duties are necessary and cannot be accomplished otherwise.

b. An employee who has been approved as a leadworker shall be entitled to extra pay of one step or 5 percent in addition to the employee's base pay in the pay grade for the class to which assigned. The extra pay may exceed the maximum of the pay grade.

c. An employee who is assigned leadworker duties following a demotion or reclassification from a supervisory class to a nonsupervisory class shall not be eligible for leadworker compensation until six months after the effective date of the demotion or reclassification unless the employee's pay was reduced in an amount equal to or greater than the extra leadworker pay.

d. At the time the employee is relieved of leadworker duties, the extra pay granted for those duties shall cease. If being relieved of leadworker duties coincides with promotion to a position in a higher or supervisory job class, the promotional pay increase shall be calculated from the combined total of the current base pay plus the current extra pay for leadworker assignment.

**4.5(6) Pay for temporary assignments.** Requests for additional pay for temporary assignments shall be submitted to the director in writing explaining the need and the period of time requested.

a. A permanent employee assigned to special duty may receive extra pay only when the assignment is to a class in a higher pay grade or from a nonsupervisory to a supervisory class in the same pay grade. The employee's pay shall be set in accordance with the rules governing pay upon promotion to the class to which assigned for the duration of the assignment. When extra pay is granted, the class to which the employee is temporarily assigned shall be controlling for all pay purposes including overtime, shift differential, standby, call back and leadworker pay eligibility.

b. A permanent employee assigned extraordinary duties may receive extra pay only when those duties are of a higher level than those in the class to which the employee is assigned, or when supervisory duties are assigned to an employee who is in a nonsupervisory class. This extra pay shall be given in step or percent increments, may exceed the maximum pay for the class, and shall be paid only as long as the extraordinary duties are assigned.

c. Extra pay given as a result of an assignment to special duty or extraordinary duty shall not affect the employee's eligibility to receive a pay increase while on a temporary assignment. If granted a pay increase, the extra pay shall then be recalculated from the employee's new base pay. At the expiration of the assignment, the employee's pay shall revert to the regular authorized pay.

**4.5(7) Pay upon demotion.**

a. When an employee voluntarily demotes or is disciplinary demoted, the employee's pay shall be set at any step or rate of pay within the pay grade for the class to which demoted that does not exceed the employee's current pay, with the following exceptions:

- (1) If the pay is less than the entrance rate for the new class, it shall be increased to that minimum;
- (2) If the demotion is to a class in a different pay plan with step amounts, the pay shall be adjusted to any step amount that does not exceed the employee's current pay. However, in order to adjust the employee to a step amount without a reduction in pay, the appointing authority may adjust the pay to the nearest higher step amount in the pay grade in the new pay plan; or

(3) If the employee's current pay exceeds the maximum pay for the new class the employee's pay may either be set at any step or percentage within the new pay grade or be red-circled in accordance with subrule 4.5(17).

*b.* When an employee is demoted, the pay increase eligibility date shall not change, except in the following instances:

(1) If the period of time until the employee's eligibility date in the previous class exceeds the period of time required for progression on the new step, a new pay increase eligibility date shall be set;

(2) If the employee's pay is increased at least one step or 5 percent as provided in paragraph "a" subparagraph (1) of this subrule, a new pay increase eligibility date shall be set;

(3) If the new step requires a longer period of time for progression, the employee's pay increase eligibility date shall be adjusted but credit shall be given for time already spent on the step.

*c.* If the demotion is for the convenience of the appointing authority and involves a change in duty station beyond 25 miles, the director may approve a one-step or 5 percent increase in pay for the employee. An increase in pay given an employee as a result of a change in duty station beyond 25 miles may be granted even if it would cause the employee's base pay to exceed the maximum rate of pay for the pay grade. Rules pertaining to red-circling apply to employees covered by this subrule except for those provisions pertaining to expiration. Employees are entitled to any pay adjustments for which they would otherwise be eligible. Subsequent changes in the location of the duty station may justify a request to the director to remove the extra pay previously granted under this paragraph.

**4.5(8)** *Pay upon change to the classification plan or the pay plans.* When an employee's current pay exceeds the maximum pay of the pay grade to which the class is assigned as a result of a change to the classification plan or the pay plans, or the employee's pay was previously red-circled, the pay shall be administered in accordance with subrule 4.5(17). When the current pay does not exceed the maximum pay, neither the employee's pay nor the pay increase eligibility date shall change except in the following instances, all of which are subject to the prior approval of the director:

*a.* If the change results in the employee being paid from a different pay plan with steps, the employee's pay may first be adjusted to the nearest step in the new pay plan that is no less than the current pay.

If the change results in the employee being paid from the same pay plan with steps, but the employee's pay is not on step, the employee's pay may first be adjusted to the nearest step in the new pay plan that is no less than the employee's current pay. If applicable, the employee's pay may be further adjusted in accordance with this subrule.

*b.* If the employee's current pay is less than the entrance rate of pay for the new class or pay grade, the employee's pay may be increased to the new entrance rate. The pay of an employee covered by a pay plan provided for in subrule 4.1(2), paragraph "b" or "c," may be further adjusted in accordance with paragraph "d" of this subrule.

*c.* If the change results in the employee being paid in a higher pay grade and the class is covered by a pay plan provided for in subrule 4.1(2), paragraph "a," the employee may be given a one-step increase in pay, unless previously adjusted in accordance with paragraph "b" of this subrule.

*d.* If the change results in the employee being paid in a higher pay grade and the class is covered by a pay plan provided for in subrule 4.1(2), paragraph "b" or "c," the employee may be given up to a 5 percent increase in pay. An increase in pay given in accordance with paragraph "b" of this subrule shall be included when determining the increase in pay provided by this paragraph.

*e.* Pay increase eligibility dates shall change in the following instances:

(1) If the employee receives an increase in pay in accordance with paragraph "b" of at least one step or 5 percent or in accordance with paragraph "c," or "d" of this subrule, a new pay increase eligibility date may be set. An employee who does not receive at least one step or 5 percent shall retain the current eligibility date, except that if the period of time until the employee's eligibility date exceeds the period of time required for progression, a new pay increase eligibility date may be set. Periods of ser-

vice already spent at a pay rate in the old pay grade need not be credited toward pay increase eligibility dates.

(2) If the employee does not receive an increase in pay in accordance with paragraph “b” or “c” of this subrule, but the change results in the employee being paid from a step requiring a longer period of time for progression, the employee’s pay increase eligibility date shall be adjusted, but credit shall be given for the time spent on the previous step. If the period of time until the employee’s current pay increase eligibility date exceeds the new period of time required for progression, a new pay increase eligibility date shall be set.

(3) If an employee is either at or red-circled above the maximum pay established for the pay grade and the pay grade or range is subsequently adjusted upward, the employee shall have the time spent at the maximum pay or at the red-circled rate credited toward the time interval required for progression in the new pay grade or range.

(4) The director may provide for changes to pay increase eligibility dates or intervals when economic or other pay adjustments are made to the classification plan or the pay plans.

**4.5(9) Pay upon reassignment.** When an employee’s pay exceeds the maximum pay for the class to which assigned as a result of a reassignment, the employee’s pay shall be administered in accordance with subrule 4.5(17). When the employee’s pay does not exceed the maximum pay, the employee’s pay shall not change except in the following instances:

a. If the reassignment results in the employee being paid from a different pay plan with steps, the employee’s pay may first be adjusted to the nearest step in the new pay plan that is no less than the employee’s current pay. If applicable, the employee’s pay shall be further adjusted in accordance with paragraph “b” or “c” of this subrule.

b. If the employee’s pay is less than the entrance rate of pay for the new class, it may be increased to that rate.

c. If the reassignment is for the convenience of the appointing authority and involves a change in duty station beyond 25 miles, the director may approve a one-step or 5 percent increase in pay for the employee. An increase in pay given to an employee as a result of a change in duty station beyond 25 miles may be granted even if it would cause the employee’s base pay to exceed the maximum pay for the pay grade. Rules pertaining to red-circling in subrule 4.5(17) apply to employees covered by this subrule, except for those provisions pertaining to expiration. Employees are entitled to any pay adjustments for which they would otherwise be eligible. Subsequent changes in the location of the duty station may justify a request to the director to remove the extra pay previously granted under this paragraph.

d. If an employee is reassigned from a nonsupervisory to a supervisory class in the same pay grade, the employee may be given a pay increase in accordance with 4.5(4) “c.”

e. Pay increase eligibility dates shall not change except in the following instances:

(1) If the employee receives either an increase in pay in accordance with paragraph “b” of at least one step or 5 percent, or an increase in pay in accordance with paragraph “d” of this subrule, a new pay increase eligibility date shall be set.

(2) If the employee only receives an increase in pay in accordance with paragraph “c” of this subrule, but the change results in the employee being paid at a step with a different period of time for progression to the next step, the employee’s pay increase eligibility date shall be adjusted, but with credit given for the time spent on the previous step.

(3) If the employee does not receive an increase in pay but the reassignment results in the employee being paid at a step requiring a longer period of time for progression to the next step, the employee’s pay increase eligibility date shall be adjusted, but with credit given for the time spent on the previous step. If the period of time until the employee’s current pay increase eligibility date exceeds the period of time required for progression, a new pay increase eligibility date shall be set.



**4.5(10) *Pay upon reclassification.*** When a position is reclassified, the employee's pay and pay increase eligibility date shall be set in accordance with these rules governing pay upon promotion, demotion, or reassignment, whichever is applicable.

When a position is reclassified downward and the reclassification is neither disciplinary, voluntary, nor the result of a reduction in force, it shall not be considered a demotion, but the employee's pay shall be handled as provided for in subrule 4.5(7).

**4.5(11) *Pay for part-time employment.*** Pay for part-time employment shall be proportionate to the rate of pay for full-time employment and based on the hourly rate of pay established for the class.

**4.5(12) *Effective date of changes.*** All pay or payroll changes shall be effective on the first day of a pay period unless otherwise approved by the director. Original appointments, reemployments and reinstatements shall be effective on the appointee's first workday.

**4.5(13) *Pay for overlap appointments.*** In cases where it is considered necessary to fill a position on an overlap basis pending the separation of an employee, an appointment of a new employee may be made in accordance with these rules for a period not to exceed 30 calendar days.

An overlap appointment must be in the same class as the authorized position being overlapped unless approved otherwise by the director. Any overlap appointment for a longer period must first be approved by the director.

**4.5(14) *Pay for certified teachers.*** Employees who are required to possess a current valid teaching certificate with appropriate endorsements and approvals as issued by the Iowa department of education shall be assigned to an established level within the educator class series, subject to approval by the director. Assignment to a specific level shall be proposed by the appointing authority based upon consideration of factors established by the director. Pay increase eligibility shall be in accordance with these rules.

**4.5(15) *Pay upon phased retirement.*** An employee who participates in the phased retirement program shall receive regular pay for the number of hours in pay status during the pay period. In addition, the employee shall also be paid 10 percent of the employee's biweekly pay based upon full-time employment. An employee who is on leave without pay during an entire pay period shall not receive the additional 10 percent for that pay period. A participant is eligible for pay increases, pay plan adjustments and other pay adjustments provided for in these rules.

**4.5(16) *Pay for economic adjustments.*** The director shall provide for the administration of economic pay adjustments. No employee whose pay is red-circled shall receive an increase in pay due to a pay plan adjustment unless it is specifically authorized by Acts of the general assembly or is due to an increase in pay granted in accordance with subrule 4.5(9), paragraph "c."

**4.5(17) *Pay upon red-circling.*** When a noncontract employee is promoted, demoted or transferred, or some other action occurs that would cause the employee's pay to exceed the maximum rate of pay for the class to which the employee is assigned, the appointing authority may maintain the current rate of pay of the employee (red-circle it) for up to one year. Any subsequent change to the red-circled pay or the period of red-circling must be preapproved by the director.

At the time of the action, the appointing authority shall notify the employee in writing of the red-circled pay to be in effect, the expiration date of the red-circling period, and the rate of pay to be in effect upon the expiration of the red-circling period based upon rules governing the particular type of action.

Red-circling may be rescinded when requested by the appointing authority if the employee's classification or agency of employment changes with prior approval of the director.

When circumstances warrant, the director may require red-circling and designate the period of time the red-circling will be in effect and the rate of pay to be in effect upon the expiration of the red-circling period.

**4.5(18) *Pay upon reduction in force.*** Rescinded IAB 4/14/93, effective 5/19/93.

**4.5(19) *Pay for recruitment and retention.*** A lump sum of extra pay may be given for recruitment of applicants or retention of current employees with written explanation submitted in advance to the director. As a condition of receiving recruitment or retention pay, the recipient must sign an agreement

to continue employment with the appointing authority for a period following the date of receipt that is deemed by the appointing authority to be commensurate with the amount of extra pay given. In the event that the recipient voluntarily leaves the department of the appointing authority for any reason, the recipient will repay to the appointing authority a proportionate fraction of the amount received for each month remaining in the period provided for in the agreement. If the recipient continues employment with the state, then the repayment will be subject to a repayment schedule approved by the director. If the recipient leaves state government employment, then the repayment will be recouped out of the final paycheck. Recoupment must be coordinated with the department of revenue and finance to ensure proper tax reporting.

**581—4.6(19A) Overtime.** Overtime is defined as those hours for which the employee is entitled to be compensated that exceed 40 in a workweek. Uninterrupted meal periods of 30 minutes or more which occur during the scheduled workday are not considered hours worked. Job classes will be designated by the director as to whether they are covered or exempt from mandatory overtime compensation. Record keeping shall be in accordance with the federal Fair Labor Standards Act.

**4.6(1)** Employees in overtime covered classes shall be compensated at a premium rate for each hour of overtime.

**4.6(2)** Employees in overtime exempt classes shall not be compensated in any way for hours worked in excess of 40 in a workweek.

**4.6(3)** Employees who are eligible for overtime compensation shall only work overtime when directed by a management official. Compensation for overtime shall be administered as follows:

*a.* When directed to work overtime, an employee in an overtime covered class shall choose the method of compensation except that the appointing authority may require pay as the method of compensation.

*b.* An appointing authority may decide the form of compensation for overtime worked, either pay or compensatory leave, of an employee in an overtime exempt class who is in a position previously approved by the director to receive overtime.

**4.6(4)** Any hours in the pay period that have already been compensated at a premium rate for other reasons shall not be counted when determining the 40-hour base for calculating overtime.

**581—4.7(19A) Compensatory leave pay.** Employees who are eligible for premium overtime may accrue compensatory leave in lieu of payment for overtime. Compensatory leave may also be accrued in lieu of pay for standby, holidays, or holiday work. Compensatory leave may be earned for call back only to the extent that it is overtime.

1. Compensatory leave may accrue to a maximum of 80 hours. Thereafter, the employee shall be paid.

2. Compensatory leave may be paid out at any time at the appointing authority's discretion, and when paid shall be at the employee's current regular rate of pay.

3. Accrued compensatory leave shall be granted in accordance with rule 581—14.7(19A).

4. All accrued compensatory leave shall be paid to the employee upon separation from state employment, transfer to a different agency, or movement to a class with a different overtime designation.

**581—4.8(19A) Shift differential.** Overtime covered employees of an appointing authority whose operations require other than a day shift shall receive a shift differential when regularly working other than a day shift. Overtime exempt employees may be eligible for shift differential at the discretion of the appointing authority with prior approval from the director.

**4.8(1)** To be considered as regularly working other than a day shift, an employee shall be scheduled for four or more hours between 6 p.m. and 6 a.m. for two or more consecutive weeks, or regularly assigned to rotate shifts.

**4.8(2)** The amount of the shift differential shall be determined by the director and shall be paid in cents per hour with one rate paid for the 6 p.m. to midnight time period and a higher rate paid for the midnight to 6 a.m. time period, in addition to the employee's current base pay. Employees who work in both time periods shall be compensated at the rate set for the time period in which the majority of hours are worked. Employees who work equal amounts in both time periods shall be compensated at the higher rate.

**4.8(3)** Shift differential shall be paid for all designated hours in pay status.

**581—4.9(19A) Correction or change of an employee's pay.**

**4.9(1)** An employee's pay shall be corrected at any time if it is found to be in violation of these rules or a collective bargaining agreement.

An employee's pay may be changed for reasons other than a violation of these rules or a collective bargaining agreement if it is made within 12 pay periods following the time the original salary was set or the initial pay action should have occurred. In either instance, retroactive pay for time within the 90-day period preceding the time the salary is corrected or changed may be granted. Any retroactive pay which exceeds that 90-day period must be approved by the state appeal board prior to payment.

**4.9(2)** Errors resulting in the overpayment of wages, except for FICA, state or federal income taxes, or IPERS contributions, shall be collected in the following manner.

*a.* If an error is discovered that resulted in the overpayment of wages, the employee may choose to repay the overpayment in the following manner:

(1) Repay the overpayment in a lump sum as a deduction from wages in the pay period following discovery of the error; or

(2) Have the overpayment deducted from succeeding pay periods not to exceed the number of pay periods during which the overpayments occurred; or

(3) The employee or appointing authority may submit an alternate repayment plan to the director. The director may approve, deny, or authorize a different repayment plan. The director's decision shall constitute final agency action and shall be communicated to the appointing authority for implementation.

*b.* The repayment schedule shall be submitted by the appointing authority on forms prescribed by the director with the first corrective pay document.

*c.* Upon termination of employment or notice of termination of employment, any overpayment still outstanding shall be deducted from the wages, vacation payout, and wage correction payback from IPERS due the employee.

**581—4.10** Reserved.

**581—4.11(19A) Call back.** When an overtime-covered employee is directed by the appointing authority to report to the work site for hours other than those scheduled, the employee shall be compensated for a minimum of 3 hours. Compensation shall be based on the employee's current regular rate of pay. Any call back hours actually worked that cause the employee to exceed 40 hours in a workweek shall be compensated as overtime. Any nonworked call back hours shall be paid at the employee's regular rate of pay. An employee shall not be compensated for standby for hours compensated for call back.

To be eligible for call back compensation, the time worked may not be contiguous to the beginning or the end of the employee's assigned work hours.

Overtime exempt employees may be eligible to be compensated for call back hours worked at the discretion of the appointing authority with prior approval from the director.

**581—4.12** Reserved.

**581—4.13(19A) Standby.** When an overtime-covered employee is directed by the appointing authority to be on standby, the employee shall be compensated for each off-duty hour in that capacity at the rate of 10 percent of the employee's current regular rate of pay. Time spent actually working or when receiving call back pay shall not be counted when determining the hours to be compensated for standby. Compensatory leave accrued for being on standby during a pay period shall not be counted as hours worked. When required to be on standby, the employee shall receive a minimum of one-hour standby compensation. Compensation shall either be in pay or compensatory leave at the discretion of the appointing authority.

Overtime exempt employees may be eligible to be compensated for standby at the discretion of the appointing authority with prior approval from the director.

These rules are intended to implement Iowa Code section 19A.9.

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